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ST. TAMMANY PARISH DRAINAGE DISTRICT NO. 2**ST. TAMMANY PARISH COMMISSION****SLIDELL, LOUISIANA****FINANCIAL STATEMENTS**

December 31, 2001

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6/26/02

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Board of Commissioners
St. Tammany Parish Drainage District No. 2
St. Tammany Parish Police Jury
Slidell, Louisiana

I have compiled the accompanying general purpose financial statements of the St. Tammany Parish Drainage District No. 2, a component unit of the St. Tammany Commission, as of and for the year ended December 31, 2001, and the accompanying supplementary information contained in Schedule I, which is presented only for analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplementary schedule information that is the representation of management of the St. Tammany Drainage District Number Two. I have not audited or reviewed the accompanying general purpose financial statements and supplementary schedule and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated June 7, 2002, on the results of our agreed-upon procedures.



David E. Moyle, CPA

June 7, 2002

ST. TAMMANY PARISH DRAINAGE DISTRICT NO. 2
ST. TAMMANY PARISH COMMISSION
SLIDELL, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 2001

	<u>Governmental Fund Types Special Revenue</u>	<u>Account Groups General Fixed Assets</u>	<u>Total (Memo Only)</u>
ASSETS			
Current Assets			
Cash	10,935.57		10,935.57
Accounts Receivable	21,098.84		21,098.84
Property and Equipment			
Land, Equipment & Building		210,974.00	210,974.00
TOTAL ASSETS	<u>32,034.41</u>	<u>210,974.00</u>	<u>243,008.41</u>
LIABILITIES AND FUND EQUITY			
Liabilities			
	0.00	0.00	0.00
TOTAL LIABILITIES	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
FUND EQUITY			
Investment in General Fixed Assets		210,974.00	210,974.00
Fund Balance(Deficit) Unreserved	32,034.41		32,034.41
TOTAL EQUITY	<u>32,034.41</u>	<u>210,974.00</u>	<u>243,008.41</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>32,034.41</u>	<u>210,974.00</u>	<u>243,008.41</u>

ST. TAMMANY PARISH DRAINAGE DISTRICT NO. 2
ST. TAMMANY PARISH COMMISSION
SLIDELL, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Governmental Fund Types Special Revenue</u>
REVENUES	
Ad Valorem Taxes	21,014.67
Interest Earnings	364.22
TOTAL REVENUES	<u>21,378.89</u>
EXPENDITURES	
Compensation Paid Board Members	0.00
Insurance	5,800.00
Professional Services	4,050.00
Maintenance and Repairs	
General	3,441.33
Pumps	4,500.00
Levee	1,128.00
Supplies General	64.88
Utilities	19,468.78
TOTAL EXPENDITURES	<u>38,452.99</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(17,074.10)
FUND BALANCE (DEFICIT), January 1, 2000	49,108.51
FUND BALANCE (DEFICIT), December 31, 2000	<u><u>32,034.41</u></u>

ST. TAMMANY PARISH DRAINAGE DISTRICT NO. 2
ST. TAMMANY PARISH COMMISSION
SLIDELL, LOUISIANA
STATEMENT OF REVENUE, EXPENDITURE, AND CHANGES
IN FUND BALANCES - BUDGET (NON-GAAP BUDGETARY BASIS)
AND ACTUAL-SPECIAL REVENUE FUND
FOR THE YEAR ENDING DECEMBER 31, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES			
Property Tax Revenue	13,203.50	21,614.67	8,411.17
Interest Earnings	0.00	364.22	364.22
TOTAL REVENUES	<u>13,203.50</u>	<u>21,978.89</u>	<u>8,775.39</u>
EXPENDITURES			
Public Official Liability Ins.	6,050.00	5,000.00	1,050.00
Workmens Comp.	800.00	800.00	0.00
Office Supplies	0.00	9.88	(9.88)
Post Office Box Rental	61.00	55.00	6.00
Professional Services			
Engineering	2,100.00	2,400.00	(300.00)
Legal	500.00	0.00	500.00
Accounting	1,800.00	1,650.00	150.00
Sheriff Fee - Tax	600.00	600.00	0.00
Assessor	0.00	0.00	0.00
Utilities (Electric)	12,000.00	19,468.78	(7,468.78)
Maintenance/Repairs			
Levee	5,000.00	1,128.00	3,872.00
Pumps	5,000.00	4,500.00	500.00
General	7,000.00	3,441.33	3,558.67
Emergency	0.00	0.00	0.00
TOTAL EXPENDITURES	<u>40,911.00</u>	<u>39,052.99</u>	<u>1,858.01</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(27,707.50)	(17,074.10)	10,633.40
FUND BALANCES, BEGINNING (NON-GAAP BUDGETARY BASIS)	49,108.51	49,108.51	0.00
FUND BALANCES, ENDING (NON-GAAP BUDGETARY BASIS)	<u>21,401.01</u>	<u>32,034.41</u>	<u>10,633.40</u>

Saint Tammany Drainage District No. 2

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2001**

Note 1. Summary of Significant Accounting Policies

The accounting policies of Saint Tammany Drainage District No. 2 ("District") conform to generally accepted accounting principles prescribed by the Governmental Accounting Standards Board. These accounting principles are required by state law for political subdivisions as stated in the Louisiana Governmental Audit Guide.

Basis of Presentation – Fund Accounting

The accounts of the District are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The various funds are summarized by type in the financial statements. The District uses the following fund types and account groups:

Governmental Fund Types – Special Revenue Fund – Used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Account Group – General Fixed Assets Account Group – Used to account for all fixed assets of the District.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The governmental fund types follow the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, are recorded when the related fund liability is incurred, if measurable.

Note 1. Summary of Significant Accounting Policies

Basis of Accounting – continued

Revenues from local sources consist primarily of property taxes. Property tax revenues are recognized when susceptible to accrual or assessed. Interest is recorded when received.

Reporting Entity

Five commissioners, appointed by the Saint Tammany Commission, run the District. They oversee the operations and maintenance of levees and drainage in district number two. The commissioners have authority to use property tax monies to repair and maintain the levees for normal wear and tear and also for emergency repairs. The commissioners also must be involved in any construction and or growth of the area so as to assure the landowners they are protected from any unforeseen drainage problems.

General Fixed Assets

Equipment is stated on the basis of historical cost. Major fixed asset additions are paid for by property taxes. In accordance with generally accepted accounting principles, no provision is made for depreciation of such assets in the General Fixed Assets Account Group. There are no additions or retirements for the year ending December 31, 2001.

Budget

The District is subject to the Local Government Budget Act. All appropriations, which are not expended, lapse at year-end.

Note 2. Cash

The District's funds are deposited into an imprest checking account that earns interest. The funds are insured in accordance with the Federal Deposit Insurance Corporation (FDIC) up to \$ 100,000.00.

Note 3. Total Columns on Combined Statements

Total columns on the Combined Statements are captioned "Total (Memo Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles.

ST. TAMMANY PARISH DRAINAGE DISTRICT NO. 2
ST. TAMMANY PARISH COMMISSION
SLIDELL, LOUISIANA

SUPPLEMENTAL INFORMATION SCHEDULE
DECEMBER 31, 2001

COMPENSATION PAID BOARD MEMBERS

The appointed commissioners did not receive any compensation or per diem from the district for their duties.

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Commissioners
St. Tammany Parish Drainage District No. 2
St. Tammany Parish Commission
Slidell, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of St. Tammany Parish Drainage District No. 2 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about St. Tammany Parish Drainage District No. 2's *compliance with certain laws and regulations during the year ended December 31, 2001* included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were **no** expenditures let for material and supplies exceeding \$ 15,000. There were **no** public works let in the year 2000 exceeding \$ 100,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list.

3. Obtain from management a listing of all employees paid during the period under examination.

No employees in 2001.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained management in agreed-upon procedure (2) as immediate family members.

No employees in 2001.

Budgeting

5. Obtained a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the budget.

6. Trace the budget adoption and amendments to the minute book.

I was able to trace formal adoption of the budget for 2001 to the minutes, and there were no amendments to the Budget.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

In comparing actual revenues and expenditures to budgeted amounts, I found actual expenditures did exceed total budgeted expenditures by more than 5%. Revenues exceeded budgeted amounts due to non-GAAP budgetary basis versus accrual basis actual amounts.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

- a) Trace payments to supporting documentation as to proper amount and payee.

I examined supporting documentation for each of selected disbursements and found that payment was for the correct amount and to the correct payee.

- b) Determine if payments were properly coded to the correct fund and general ledger account: and

The payments were properly coded to correct fund and general ledger accounts.

- c) Determine whether payments received approval from proper authorities.

All payments, received approval as evidenced in minutes.

Meetings

- 9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law)

St. Tammany Parish Drainage District No. 2 is only required to post a notice of each meeting and the accompanying agenda at the building in which the meeting is held.

Management asserted that notices were properly posted; I did not observe evidence of such. However, meeting notices and agendas were found in the minutes file.

Debt

- 10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

I inspected copies of all bank deposits for the period under examination and noted no deposits, which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

- 11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees, which may constitute bonuses, advance, or gifts.

No employees. The minutes did not approve of any such payment.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of St. Tammany Parish Drainage District No. 2 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink, appearing to read "David E. Moyle". The signature is fluid and cursive, with a long horizontal stroke at the end.

David E. Moyle, CPA

June 7, 2002

ST TAMMANY PARISH
DRAINAGE DISTRICT NO. 2
SLIDELL, LOUISIANA

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

David E Moyle, CPA
1312 Lakewood Drive
Suite C
Slidell, Louisiana 70458

In connection with your compilation of our financial statements as of December 31, 2001 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of June 7, 2002.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes [☒] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [☒] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [☒] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [☒] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [☒] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [] No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [☒] No [☐]

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [☒] No [☐]

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [☒] No [☐]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

_____	Secretary	_____	Date
_____	Treasurer	_____	Date
<u>Robert L. Jernigan, Jr.</u>	President	<u>6/7/82</u>	Date